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COVER PHOTO: Madewood Plantation, Napoleonville, LA.
—La. Office of Tourism

CORRECTION: Due to a printer's error on the October cover, the Exxon Refinery picture was substituted for Madewood Plantation.

ESTATE TAXATION OF LIFE INSURANCE IN LOUISIANA

by
RONALD E. SANDERS
Financial Consultant with Oakland Financial Group
Special Lecturer of Insurance, Louisiana State University

assisted by
LEROY WHITE
Attorney (Estate Tax)
Internal Revenue Service

Life insurance has long been recognized as a means of meeting continued financial needs of the family, guaranteeing disposition of proceeds at death, avoiding the forced sale of assets, and providing liquidity for death taxes if properly planned. This article will address the topic of Federal Estate and Gift Taxation of life insurance in Louisiana. No attempt will be made to discuss cost comparisons, company organization, and so forth, because these areas are beyond the scope of this article.

Louisiana residents are substantial consumers of life insurance. The amount of life insurance in force currently exceeds $43.3 billion in this state. This total amount is derived as follows: Ordinary, $21.5 billion; Group, $16.4 billion; Industrial, $2.3 billion; and Credit, $3.1 billion.[1] Latest figures indicate that this state's residents purchased $4.8 billion in ordinary life insurance in a single year alone.[2]

Life insurance is "sui generis" in Louisiana meaning that it is in a special class and that, as a consequence, it is exempted from the forced heirship laws of our state. Thus, life insurance can provide a method to circumvent these strict laws, but due to ignorance or oversight, it has been found that substantial amounts of life insurance in Louisiana are taxed along with other assets in the estate of the decedent. These situations can be avoided with proper planning and the life insurance will not be inadvertently taxed.

Before getting into specific ownership situations, a few basics are to be covered. First, there are four parties to a life insurance contract. The *insured* is the person on whose life the policy is written. In the event of the death of the insured, the insurance company agrees to pay the amount stated in the policy. Obviously, the *insurance company* is a party to the contract. The *beneficiary* is the party that is designated to receive the policy proceeds. Lastly, there is the important *ownership designation*. It is primarily this ownership designation that dictates the inclusion or exclusion of the policy proceeds in the decedent's gross estate.

What are ownership rights in a life insurance policy? For estate tax purposes, the Internal Revenue Code has defined what it refers to as "incidents of ownership." If the decedent (insured) possesses any of these incidents of ownership, the policy proceeds will be taxed in his or her estate. For exam-

ple, the following are considered to be incidents of ownership:[3]

1. The power to change the beneficiary;
2. The power to surrender, cancel, and/or assign the policy;
3. The power to revoke an assignment;
4. The power to pledge the policy for a loan;
5. The power to borrow the cash value of the policy;
6. A "reversionary interest" greater than 5 percent of the value of the policy.

It should be understood that the Internal Revenue Service has interepreted "incidents of ownership" in a broad sense. Thus, as a general proposition, the life insurance proceeds will be included in the decedent's gross estate if he has any economic or financial benefit or enjoyment of the policy.[4] Further, the decedent need not have actually exercised the ownership rights to have the policy proceeds included in his estate so long as he had possession of such rights.

The following section will discuss specific life insurance ownership case situations in Louisiana, the various policy situations, and the expected estate tax implications of the ownership designations.

I. *Individual Life Insurance*

There are a number of alternatives to consider in the ownership designation of individual policies. One common approach is the designation of an individual as both the insured and the owner of the policy and another party as the beneficiary. A typical example is where a husband is insured and he names his wife as beneficiary. Since the insured possesses "incidents of ownership" through the ownership designation, the entire face amount of the policy would be included in his gross estate and subject to estate taxation.[5]

There are alternates which could be selected which would avoid the estate taxes. A fairly common solution is for one spouse to be the insured, while the other spouse is designated the owner and beneficiary. In the event of death of the insured spouse, the proceeds would not be included in his (her) gross estate because the surviving spouse owned the policy.[6] Although use of the ownership designation, to avoid estate taxes is widely used, a number of problems could occur. One must consider the actual basis or purpose for the transfer of ownership. All too often, the insured changes the ownership designation for "estate tax purposes" when in fact there would be little or no estate tax due in the event of his or her death. As a result of the higher estate tax credits, a couple with total community property of $500,000 or less with little or no separate property would actually not have an "estate tax problem," and there would be no purpose altering the ownership designation.[7]

If estate taxes are a problem, and if the spouse is to be designated owner and beneficiary, one should consider the impact of the tax at the time of death of the surviving spouse. The combined tax effect may be greater at the death of the surviving spouse if the transfer of ownership was made. Secondly, one should consider the increasing divorce rate because if the transfer is made, the policy would be considered separate property of the spouse who is designated to be the owner. It is also important to realize that the spouse, as owner, now has the right, among others, to cancel the policy, borrow the cash value, surrender the policy, and to change the beneficiary. Thirdly, there could be a problem if the owner of the policy predeceases the insured. In this case, the value of the policy is included in the decedent's gross estate. If the policy was actually the deceased owner's separate policy, who would become the new owner at the deceased owner's death? Finally, according to the Revenue Act of 1978, the insurance payments acquired within three years of death may be subject to taxation.

In summary, a great deal of thought and analysis should go into the decision for spousal-owned life insurance. What is an alternative to spousal-owned life insurance? One possible planning tool would be the *irrevocable life insurance trust*. In this case the owner makes an absolute assignment (an actual ownership change) to an irrevocable trust. The owner gives up all control of the policy; thus, he abnegates all of the "incidents of ownership."[8] This trust designation approach could avoid some of the problems previously discussed on spousal-owned life insurance but it could create different problems. Since the owner has given up total control of the policy, he or she can no longer borrow cash values, or pledge or assign the policy for personal or business purposes.

There are other important estate tax implications for individual life insurance policies. If the estate of the decedent is named as beneficiary of the policy, the proceeds of the policy will be taxed in the decedent's estate.[9] IRC Section 2035 states that transfers made within three years of the decedent's death will be included in the decedent's gross estate.[10] Thus, an absolute assignment of life insurance will have little effect if the insured died within three years of the assignment/transfer.[11]

II. *Group Life Insurance*

There is approximately $16.4 billion in group life insurance in force in Louisiana. Virtually, all employees have some form of group life insurance. For the entire United States, the amount of group life in force has more than tripled since 1967. Latest figures indicate there is over $1.1 trillion of group life insurance in force in the United States.[12]

Group life insurance can take several forms. The basic plan uses annually renewable term insurance. This plan provides life insurance protection for the covered employees and coverage terminates or is substantially reduced at the time of the employee's retirement or termination from employment. A second approach to group life insurance utilizes permanent life insurance in which the employee will have various benefits upon retirement or termination from employment, i.e., cash values, paid-up insurance, or the option of continuing

the premium payments.[13] Another approach to group life insurance is retired lives reserve which is a fund created during the working years of an employee. This fund is used to provide continuing life insurance protection for the employee after retirement. Currently, the Internal Revenue Service is reviewing and reconsidering the area of retired lives reserve.[14] The various group life insurance plans represent approximately 42% of the total life insurance held by individuals.[15]

Group life insurance has some important income tax implications to employees and to employers. First of all, the premiums paid by the employer are deductible by the employer as a valid business expense.[16] The employee does not pay any income tax on the first $50,000 coverage but amounts over $50,000 will be includible for income tax purposes by the employee.[17] Thus, the employee would have no income tax liability for premiums paid by the employer for coverage of $50,000 and below, while he or she would incur an income tax liability for the coverage in excess of the $50,000 amount. The coverage should be provided in a uniform manner prescribed by formula so that individual selection is precluded, i.e., by service, compensation, position, etc.[18]

With such tremendous amounts of group life insurance, the importance of the estate tax implications of the ownership of this coverage should not be overlooked. Typically, an employer provides group life insurance benefits to all eligible employees. The employee has the right to designate the beneficiary. As was mentioned previously, this right to name the beneficiary is an incident of ownership, thus, causing the proceeds to be taxed in the estate of the deceased employee.[19] A possible solution to this problem would be for the employee to make an absolute assignment of the policy to his or her spouse.[20] However, as with individual life insurance, much thought should go into the decision before making the change.

III. *Qualified Retirement Plans*

A number of qualified retirement plans have a life insurance benefit. This benefit can be provided in most plans, i.e., profit sharing plans, defined benefits, defined contributions, etc. The life insurance premium will be a deductible expense for the employer if the premiums are incidental to the total contributions to the retirement plan.[21]

What are the estate and gift tax implications of these qualified retirement plan life insurance benefits? There have been some recent changes which impact on lump payments from these retirement plans. If the participant names his or her estate as beneficiary, the proceeds will be includible in the decedent's (employee) gross estate. Secondly, the major area of change centers around the income and estate taxation alternatives available for lump-sum payments from a qualified retirement plan. There will be favorable income tax treatment for the beneficiary if the lump-sum payment is the full amount of the employee's account and received within one taxable year. Further, a lump-sum payment is includible in the gross estate of the decedent for estate tax purposes if the payment is taxed under ten-year income averaging and/or capital gains (favorable income tax treatment). However, if the favorable income tax treatment is not elected and the lump-sum payment is taxed at ordinary income rates, then the lump-sum payment will be excluded from the gross estate of the decedent (employee). Thirdly, there will be no gift tax implications in those retirement plans which do not require employee contributions. Fourthly, if the non-employee spouse predeceases the employee covered by a qualified retirement plan, the estate of the non-employee spouse can exclude the spouse's community interest in the plan.[22]

For planning purposes, the individual has alternatives for estate taxation versus income taxation implications in qualified retirement plan death benefits. One should remain cognizant of the purpose of the benefits to be received by the beneficiary. Are estate taxes a consideration? If estate taxes are a problem, then the employee should consider the alternatives. *A possibility would be the employee designation of a trust as beneficiary for the plan benefits.* There are a number of trust arrangements that the employee should consider along with his or her financial advisors.

IV. *Split-Dollar Life Insurance*

Split-dollar life insurance has long been used as a fringe benefit for employees. Basically, the employer receives a return of the premiums paid on the policy in the event of the death of the employee (insured). This is accomplished by a collateral assignment of the policy to the employer. The employee's beneficiary receives the differences between the face amount of the policy and the total premiums paid in the event of the employee's death.

For estate tax purposes, the amount of the proceeds will be included in the decedent's (employee's) gross estate if the benefits are payable to his or her estate or if any of the "incidents of ownership" are retained by the decedent.[23] Further, if the employee makes an ownership change of the policy, it has been held that the employee has made a gift of the reportable premiums of the policy each year.[24] For sole or controlling stockholders (greater than 50% ownership of a corporation), the life insurance proceeds not payable to the corporation will be attributable to the controlling stockholder because the incidents of ownership of the corporation will be deemed to be held by the stockholder.[25] Thus, these proceeds would be includible in the gross estate of the controlling stockholder. However, the portion of the policy which was collaterally assigned to the corporation to secure the corporation's interest in the policy would not be includible in the gross estate of the controlling stockholder.[26] Once again *consideration should be given to absolute assignments* to third party owners and/or trust arrangement to avoid inclusion of the proceeds in the estate of the decedent (employee).

Estate Taxation of Life Insurance in Louisiana

Policy Situation	Insured	Beneficiary	Owner	Decedent	Includible in Decedent's Gross Estate
1 Individual Life Insurance					
A From Policy Inception	A	B	A	A	Yes (I R C Sec 2042 (2))
B From Policy Inception	A	B	B	A	No (I R C Section 2042)
C From Policy Inception	A	B	B	B	Yes, to the extent of interpolated terminal reserve (I R C Section 2033)
D Absolute Assignment	A	B	B	A	No (Exception if transfer within three years of decedent's death then includible I R C Sec 2035)
E Absolute Assignment	A	B	Irrevocable Trust	A	No (Exception if "incidents of ownership" then includible I R C Sec 2042)
F From Policy Inception	A	Estate	B	A	Yes (I R C Section 2042 (1))
2 Group Life Insurance					
A Group Term	A (Employee)	B	Master Contract owned by Corporation	A	Yes (I R C Section 2042 (2))
B Term or Permanent (Absolute Assignment to "B")	A (Employee)	B	Master Contract owned by Corporation	A	No (Exception if transfer within three years of decedent's death then includible I R C Section 2035)
C Group Permanent	A (Employee)	B	Master Contract owned by Corporation	A	Yes (I R C Section 2042 (2))
D Group Permanent	A (Employee)	B	Master Contract owned by Corporation	B	Yes, to the extent of interpolated terminal reserve (I R C Section 2033)
E Term or Permanent	A (Owns 50% or more of control of business)	B	Master Contract owned by Corporation	A	No (Treasury Reg 20 2042-1(c) (6)); (Watch for incidents of ownership held by the corporation other than the right to surrender or cancel the policy)
3 Qualified Retirement Plans	A (Employee)	B	A	A	Depends on favorable income tax treatment versus estate taxation (I R C Section 2039)
4 Key Executive Life Insurance	A	Corporation	Corporation	A	No, if the decedent possessed no incidents of ownership (Reg Sec 20 2042-1(C) (2))
5 Split-Dollar Life Insurance					
A Collateral Assignment	A (Employee)	B with collateral assignment to corporation	A	A	Yes (I R C 2042)
B Collateral Assignment	A (Employee) (Owns 50% or more of control of business)	B	B (Absolute Assignment)	A	Yes, if retained incidents of ownership (Revenue Ruling 274 of 1976 CB 7 p 278)

V. *Key Executive Life Insurance*

The basis for key executive life insurance is to indemify a business for the loss of earnings brought about by the death of a key person in the firm.[27] The business insures the executive and designates itself as owner and beneficiary of the policy. In the event of death of this key person, the business receives the proceeds of the policy which can be used to defray the expenses of hiring a qualified replacement for the deceased employee, stabilize earnings during the period following the employee's death, etc.

The proceeds of a key executive life insurance policy will not be included in the decedent's (key executive's) gross estate if he or she possessed no incidents of ownership.[28] The value of decedent's stock or interest in the business will not necessarily increase as a result of receipt of the proceeds by the business.[29] Further, if there is a valid buy-sell agreement between the employee/stockholder and the business, there will be no increase in the value of stock attributed to the life insurance proceeds for estate tax purposes.[30] However, the proceeds would be includible in the gross estate of the employee/stockholder if the insured employee/stockholder

was the sole or controlling stockholder (more than 50% of the stock) of the business.[31] In summary, as a general proposition, the proceeds from key executive life insurance will not be subjected to direct estate taxation because the business is both owner and beneficiary of the policy (exception, sole or controlling stockholder).

VI. *Trusts*

It was once stated that "if we were asked what is the greatest and most distinctive achievement performed by Englishmen in the field of jurisprudence, I cannot think that we should have any better answer to give than this, namely, the development from century to century of the trust idea."[32] The trust has been defined as a device for the management of property to another (the trustee) for administration in a prescribed manner for the benefit of a third person (the beneficiary).[33] The idea and benefits of the trust have been well established in the United States.

The Louisiana Trust Code establishes a means for the use of the various trust arrangements in our state. There are, of course, numerous forms the trust can take depending on the purpose. One can establish a testamentary trust (becomes active after death) or inter vivos trust (created during an individual's lifetime). There are funded and unfunded trust arrangements which refer to the time at which assets are placed in trust. Further, one can establish revocable and irrevocable trusts. In a revocable trust the settler retains the right to revoke or terminate the trust.[34]

It is important to understand the uses of these various trusts. In considering a trust, the primary concern should center around the needs of the beneficiary and the settler. Is the primary purpose of the trust to avoid estate taxation on certain assets? Is the management of assets for children a primary concern? One should first consider the needs of the parties, then examine the tax implications of the various arrangements.

What is the estate and gift tax implications of life insurance in the trust? If the decedent retained any of the incidents of ownership in the policy, the proceeds will be includible in the gross estate of the decedent.[35] Any change of ownership or beneficiary designation to a trust should be fully researched before making the change. An individual could be named the insured (husband), another individual as owner (wife), and a trust as beneficiary and still have the proceeds includible in the insured gross estate because of retained incidents of ownership through the trust.[36] Further, annual premiums to fund a trust to pay for life insurance owned by the trust are considered gifts.[37] The design of trust will indicate if the premiums qualify for the $3,000 annual exclusion.[38] Again, in conclusion, much thought should go into the decision to designate a trust as owner and/or beneficiary of a life insurance policy.

VII. *Summary*

The purpose of this article was to make the reader aware of potential gift and estate tax implications of life insurance ownership in Louisiana. Obviously, all situations could not be discussed. Specific cases should be considered carefully by the individual along with his or her financial advisors.

FOOTNOTES

[1]*Life Insurance Fact Book—1978*, American Council of Life Insurance, Washington, D.C., page 20. For statistical purposes, the *Life Insurance Fact Book—1978*, defines ordinary life insurance as "life insurance usually issued in amounts of $1,000 or more with premiums payable on an annual, semi-annual, quarterly or monthly basis." This definition includes whole life, endowment, retirement income, and term policies.

[2]*Life Insurance Fact Book—1978*, page 12.

[3]I.R.C. Section 2042 (2).

[4]*Ibid.*

[5]*Ibid.*, Section 2042.

[6]Catalano vs. United States, 429 F. 2d. 1058 (5th Circuit) 1970; Sata vs. Commissioner, 61 T.C. 515 (1975); Bergman vs. Commissioner, 66 T.C. 887 (1976).

[7]See Tax Reform Act of 1976, Section 2001, Section 2010, Section 2056(c) (1) (A).

[8]I.R.C. Section 2042.

[9]*Ibid.*, Section 2035.

[10]Revenue Act Section 702(f), amending Code Section 2035 (B).

[11]Treasury Regulation Section 20.2042-1 (c) (2).

[12]*Life Insurance Fact Book—1978*, pages 20 and 29.

[13]S. S. Huebner and Kenneth Black, Jr., *Life Insurance*, ninth edition, Prentice-Hall Inc., Englewood Cliffs, New Jersey, 1976, pages 407 and 411.

[14]Irving Salem and Richard L. Schmalbeck, "Group-term life insurance: IRS creates new solutions, questions and challenges," *Journal of Taxation*, September 1979, page 130.

[15]*Life Insurance Fact Book—1978*, page 34.

[16]I.R.C. Section 162 (a); Revenue Ruling 58-90, 1958-1 CB 88.

[17]I.R.C. Section 79 (a) (1) and (2).

[18]Treasury Regulation 1.79-1 (a) (4).

[19]I.R.C. Section 2042.

[20]Revenue Ruling 72-307, 1972-1 CB 307.

[21]The primary purpose of a pension plan is to provide retirement benefits. However, it has been recognized that the plan "may also provide for the payment of incidental death benefits through insurance or otherwise. . . ." (Treasury Reg. 1.401 (b) (1) (i). Further, a profit sharing plan provides "primarily a plan of deferred compensation, but the amounts allocated to the account of a participant may be used to provide for him or his family incidental life or accident or health insurance." (Treasury Reg. 1.401-1-(b) (1) (ii).

[22]I.R.C. Section 2039.

[23]I.R.C. Section 2042.

[24]The income reportable premiums is referred to as the P.S. 58 premium cost. This table is used to determine the amount of income the employee has deemed to have received for federal income tax purposes. Revenue Ruling 78-420, 1978-2 CB 67.

[25]Treasury Regulation 20.2042-1 (c) (6); Revenue Ruling 274 of 1976 CB 7, p. 278.

[26]Revenue Ruling 76-274, CB 2, p. 278.

[27]Huebner, *Life Insurance*, p. 30.

[28]Treasury Regulation Section 20.2042-1 (c) (2).

[29]Estate of John L. Huntsman, 66 T.C. 861 (1977).

(cont'd. on p. 18)

THE INTERNAL ACCOUNTING CONTROLS OF THE FOREIGN CORRUPT PRACTICES ACT

by
PAUL LANSING
Assistant Professor
College of Business Administration
University of Iowa
Iowa City, Iowa

and
ERVIN MENKEN
Director of Accounting
Avionics & Missiles Group
Rockwell International
Cedar Rapids, Iowa

Background

On December 19, 1978, President Carter signed into law the Foreign Corrupt Practices Act (Public Law 95-213). The Foreign Corrupt Practices Act (FCPA) grew out of the use of corporate resources for bribery of foreign officials in order to secure contracts with foreign governments and the use of cash payments for domestic political contributions. In the political atmosphere of post-Vietnam and Watergate came a series of highly publicized disclosures that a number of U.S. companies or their subsidiaries had, over long periods of time, paid substantial bribes or payments to officials of foreign governments. It was also revealed that the officials of these few corporations had in some instances managed to conceal these transactions so that the board of directors and public auditors were unaware of them. Congress thought that something should be done about this state of affairs and the proper remedy appeared simple enough: overseas bribes should be made a federal crime, and U.S. companies should be required to keep their accounting books and records in a proper manner.

Although most of the publicity associated with the FCPA has dealt with the penalties for bribes of foreign officials, *the FCPA's accounting provisions will significantly impact all companies, domestic as well as international.* The Act applies through two of its sections, "Accounting Standards" and "Foreign Corrupt Practices by Issuers," to every company, domestic or foreign, subject to the Securities Exchange Act of 1934. Additionally, it applies to nearly everyone else through a section labeled "Foreign Corrupt Practices by Domestic Concerns." This section includes any individual who is a citizen, national, or resident of the U.S. and any corporation, partnership, association, joint-stock company, business trust, unincorporated organization or proprietorship that (a) has its principal place of business in the U.S., or (b) is organized under the laws of a state, territory, possession or commonwealth of the U.S.

The law's effect upon public companies is of special interest. Under the FCPA, the means by which a publicly-held business is controlled and keeps its records are matters of legal compulsion, with fines and jail sentences for offenders. Much of the interpretation and enforcement of the FCPA will deal, not with its anti-bribery provisions, which are relatively specific, but with its "Accounting Standards Provision." These standards *are* as vague as statements of internal accounting control that were previously written. However, what was previously conceptual and defined as "generally accepted accounting principles" has been mandated by Congress into *law*—to be interpreted and perhaps misunderstood in the courts, and definitely enforced.

Traditionally, the American Institute of Certified Public Accountants (AICPA), The Financial Accounting Standards Board (FASB), and The Cost Accounting Standards Board (CASB) have issued statements (standards) outlining the auditor's approach to the study and evaluation of internal accounting control. These standards have attempted to define consistencies and irregularities that could be material to financial statement presentations. The auditor's task has been to evaluate the financial statements in conformity with generally accepted accounting principles by modifying the nature, timing and extent of their other auditing procedures. Material weaknesses may not have been corrected because management had decided that the cost of the added control would exceed the benefit to be derived. Management has been expected to make such cost/benefit judgments without significant challenge for years.

Senator Proxmire, chairman of the Senate committee that debated the FCPA, noted in the Congressional Record: "The bill (FCPA) will make it a criminal offense for any corporate officer or employee of any corporation to bribe a foreign government official to obtain business or to affect the outcome of legislation or regulation of the Government. These provisions are backed-up by accounting provisions requiring the maintenance of internal accounting controls which will ensure the integrity of corporate records and which will fix the management responsibility to stop bribery squarely on the corporate board of directors."[1]

Section 102 of the FCPA codifies the new accounting mandates as section 13(b)(2) of the Securities Exchange Act of 1934. As illustrated in Exhibit A, the provisions of section 13(b)(2) are contained in two very brief subsections. Subsection (A) covers the keeping of financial records, while Subsection (B) deals with internal accounting controls.

Exhibit A

EXCERPTS FROM RELEVANT PORTIONS OF THE FOREIGN CORRUPT PRACTICES ACT OF 1977

Sec. 102 Section 13(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78q(b) is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following:

"(2) Every issuer which has a class of securities registered pursuant to section 12 of this title and every issuer which is required to file reports pursuant to section 15(d) of this title shall—

"(A) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; and

"(B) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that—

"(i) transactions are executed in accordance with management's general or specific authorizations;

"(ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;

"(iii) access to assets is permitted only in accordance with management's general or specific authorization; and

"(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences."

Impact of Accounting Standards (Section 13(b) (2))

Corporate managers, accountants, lawyers, the SEC, and the courts must now develop a body of law for the new accounting mandates. A significant feature about the new accounting mandates is that they are not linked either to overseas business activities or to corrupt practices. Section 13(b) (2) sets accounting requirements for *all* business activities of *all* U.S. companies that are either registered or file reports, or both, with the SEC under the 1934 Act. Management has become aware that these new requirements can have a vastly greater impact than the anti-bribery provisions of the FCPA. After all, foreign bribery is a relatively rare event as compared with the maintenance of financial records and internal accounting controls.

The new section 13(b) (2) presents the most exhaustive intrusion of Federal Law into internal corporate affairs since passage of the Securities Act of 1933 and the Securities Exchange Act of 1934. The new statute will create extensive new liabilities for corporate managers, auditors, and corporate counsel and will generate new working relationships among them. There is still considerable controversy regarding the applicability of the anti-bribery section to business conducted by United States companies doing business in foreign countries. This is because of the disadvantage it creates for U.S. businesses that compete with foreign companies that are not faced with the same restrictions. The full impact of the accounting provisions of the FCPA have yet to be discussed.

Governmental Haste to Pass Legislation

It is our belief that Congress moved too hastily on the accounting provisions of the FCPA. The technical problems of day-to-day accounting were of secondary importance compared to the controversial moral and political issues of bribery that had the attention of the lawmakers. The House version of the bill did not contain the accounting provisions. These provisions were never debated on the House floor or in a House committee. In the Senate, the accounting provisions were overshadowed by the looming issue of overseas payments. As a result, the language of the accounting mandate of section 13(b) (2) is simplistic and vague. In fact, it is basically copied from Section 320 of the Statement on Auditing Standards No. 1 issued by the AICPA in 1973. Failure to interpret section 13(b) (2) with thoughtful deliberation and care could lead to results that are exceedingly costly, unproductive, unfair and not intended by Congress.

On February 15, 1979, the SEC announced the adoption of two rules to become effective March 23, 1979. The rules would serve to "promote the reliability of financial information and prevention of the concealment of questionable or illegal corporate payments and practices." Rule 13b2-1 provides: "No person shall, directly or indirectly, falsify or cause to be falsified, any book record of account subject to Section 13(b) (2) (A) of the Securities Exchange Act." Rule 13b2-2 provides: "No director or officer of an issuer shall, directly or indirectly, (a) make or cause to be made a materially false or misleading statement, or (b) omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in the light of circumstances under which such statements were made, not misleading to an accountant in connection with (1) any audit or examination of the financial statements of the issuer required to be made pursuant to this subpart of (2) the preparation of filing of any document or report required to be filed with the Commission pursuant to this subpart or otherwise."

New Concerns For Accounting Directors

As a result of these provisions, a director of the accounting department will be more cautious in his negotiations with a public auditor than he was prior to the passage of the FCPA.

(cont'd. on p. 16)

THE DIVISION ECONOMIC REPORT

by
A. M. M. JAMAI
Research Economist

National Outlook

Preliminary estimates indicate that the real gross national product grew at an annual rate of one percent during the third quarter of 1980. This modest recovery follows a 9.6 percent decline during the second quarter. The upturn has been mainly led by real personal consumption expenditures which grew at an annual rate of 5.2 percent. In contrast, business fixed investment and government expenditures dropped by 10.5 percent and 2 percent, respectively. The price level as measured by the implicit GNP deflator grew at a 9.1 percent annual rate, compared to the 10.7 percent growth rate during the second quarter.

The Federal Reserve Board's index of industrial production grew at a seasonally-adjusted one percent rate in September following a 0.6 percent rise in August. Much of this gain is related to the auto and housing industries. Production of autos advanced by 7 percent, and construction supplies increased by 2 percent. Orders for durable goods advanced by 8.1 percent following a 3.4 percent decline in August.

Retail sales increased by 1.26 billion dollars in September marking the fourth consecutive month of improvement. Much of this gain is attributable to the sales of autos. Sales of durable goods increased 2.2 percent following a drop of 0.9 percent in August. Nondurable goods sales increased 1.3 percent matching the increase in August. Part of the gain in sales was due to an increase in personal income and part was caused by increased purchases on credit. However, recent slow gains in personal income and rising interest rates imply that the consumers will not be able to continue this higher level of spending.

Total housing starts increased at a seasonally-adjusted annual rate of 9.0 percent in September. The number of single-family housing starts rose by 5 percent, while multifamily starts rose by 19 percent. Starts in apartment buildings with five or more units increased by 32 percent, reflecting federal subsidy in many of these projects. Higher mortgage rates, already in the 14 percent range, threaten to stymie the recovery in the housing sector. Sales of new homes fell 5 percent in September, implying that gains in the housing industry might not be sustained in the coming months.

The seasonally-adjusted level of unemployment was registered at 7.5 percent in September, compared to 7.6 percent unemployment in August. Gains in employment will hold up as long as the housing construction and industrial production continue growing. Rising interest rates, however, cause uncertainties in these activities.

The Consumer Price Index, driven by rising food, transportation, and apparel costs, increased at a seasonally-adjusted annual rate of 12.7 percent in September. This follows the 8.7 percent increase in August. The price level is expected to grow by 9-11 percent annually during the next six months. The Producer Price Index fell 2 percent annually following a 7.3 percent increase in August.

Money supply has been growing more rapidly than the target set by the FED. M1-B, which is the sum of currency, demand deposits, and other checkable deposits, grew at a 10 percent annual rate in September following a 20 percent growth rate in August. This has prompted the FED to revise the target for the growth of M1-B from 9 percent to 6.5 percent annually for the rest of the year. The slower growth rate of the money supply will keep interest rates high and discourage borrowing.

TABLE I
THE DIVISION ECONOMIC FORECAST: UNITED STATES AND LOUISIANA
(seasonally-adjusted annual rates of change)

		Real Personal Income Growth		Employment Growth		Unemployment Rate	
Year	Quarter	U.S.	Louisiana	U.S.	Louisiana	U.S.	Louisiana
1980	2	-4.2%	-0.8%	3.6%	6.7%	7.5%	7.1%
1980	3	3.1*	4.3	0.1*	1.4*	7.6*	6.2%
1980	4	2.2	1.5	0.8	1.0	7.6	6.8
1980: Average		0.5	1.1	0.4	1.8	7.2	7.0
1981	1	1.0	0.2	1.7	1.9	7.5	7.0
1981	2	1.1	2.0	1.6	1.9	7.3	6.5
1981	3	2.4	3.3	2.0	2.4	7.2	6.3
1981	4	2.7	2.6	1.2	1.4	7.0	6.0
1981: Average		1.0	1.9	1.7	1.9	7.2	6.4
1982	1	4.0	5.1	1.6	1.9	6.8	6.0

NOTE: Because of seasonal adjustment, the reported growth rates may not correspond to other published growth rates.

*Actual

Forcasts for the U.S. economy appear in Table I. The drop in personal income in 1980 will not be as severe as projected earlier. Thus, the growth rates in 1981 appear smaller than the earlier projection, as they are compared to a larger base. The economy has recovered from the recession but faces the prospect of negligible growth during the final quarter of 1980. Double-digit inflation and high interest rates will undermine gains in the economy until the middle of next year. Substantial gain in real GNP will be made during the latter half of 1981 and continue into 1982.

Louisiana and Metropolitan Area Outlook

Personal income of Louisiana residents increased at a seasonally-adjusted annual rate of 9.9 percent during the second quarter of 1980. This compares to the 6.5 percent growth rate for the United States. Though the inflation-adjusted personal income actually fell during the second quarter, the drop in Louisiana was less severe than that for the nation as a whole.

Total employment in Louisiana grew at a seasonally-adjusted annual rate of 1.4 percent during the third quarter. The most significant increases were in the areas of construction and government which grew at seasonally-adjusted annual rates of 12.9 percent and 7.4 percent, respectively. Gains were also made in mining, trade, and service industries. Employment in manufacturing registered a slight decrease at the seasonally-adjusted rate.

Louisiana's construction industry continued to grow in August. The value of nonbuilding construction started from January to date was 61.6 percent above the value of the projects started over the same period last year. Values of projects started in residential and nonresidential buildings fell 23.5 percent and 31.1 percent, respectively, from the levels set in 1979.

Statewide, unemployment rate was registered at a seasonally-adjusted 6.2 percent during the third quarter. This compares to the 7.6 percent unemployment rate for the U.S. Among the State's metropolitan areas, Lafayette had the lowest unemployment rate at 3.4 percent during August. Unemployment rates in Alexandria and Monroe were among the highest in the State at 8 percent and 7.6 percent, respectively.

The forecast for Louisiana and the State's metropolitan areas appear in Tables I & II. Economic recovery during the third quarter was faster than for the nation. The State is faced with sluggish growth during the fourth quarter. Among the metropolitan areas, Lafayette and Baton Rouge will experience the quickest recovery in economic activity.

TABLE II
THE DIVISION ECONOMIC FORECAST:
LOUISIANA METROPOLITAN AREAS
(seasonally-adjusted annual rates of change)

	Real Personal Income Growth	
Metropolitan Area	1980	1981
Alexandria	1.2%	0.9%
Baton Rouge	2.0	1.9
Lafayette	3.3	2.6
Lake Charles	2.0	1.6
Monroe	1.7	1.4
New Orleans	1.1	1.1
Shreveport	1.4	1.2
Metropolitan Area Average	1.5	1.4

ECONOMIC SUMMARY

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
INTERNATIONAL				
[1] TRADE WEIGHTED DOLLAR (MAY 29, 1970=100) (SEPT.)	81.40	-0.5	-0.1	n.a.
[2] MERCHANDISE TRADE BALANCE				
(EXPORTS MINUS IMPORTS)(MIL. $,JULY)	-920.4	-17.5	-26.4	+23.9
[2] NET EXPORTS OF:				
MEATS AND POULTRY (MIL. $,JULY)	-104.5	-11.2	+116.8	-36.3
PETROLEUM AND PRODUCTS (MIL.$,JULY)	-5,152.9	+12.8	-18.0	+60.8
CHEMICALS (MIL. $,JULY)	1,087.3	+26.1	-1.1	+34.6
TRANSPORT EQUIPMENT (MIL. $,JULY)	-303.8	-279.7	+919.3	+404.7
[2] EXPORTS OF:				
RAW COTTON (MIL. $,JULY)	190.4	+42.6	-22.1	+63.3
SOYBEANS (MIL. $,JULY)	350.8	+34.8	-11.4	+21.0
RICE, GRAINS, AND CEREALS (MIL. $,JULY)	1,442.6	+3.2	+11.8	+32.3
UNITED STATES				
[3] CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS U.S. CITY AVG(1967=100)				
ALL ITEMS(SEPT.)	251.7	+12.7	+0.9	n.a.
[3] PRODUCER PRICE INDEXES(1967=100)				
FINISHED GOODS(SEPT.)	248.9	+12.8	+0.3	n.a.
CONSUMER FINISHED GOODS (SEPT.)	251.8	+13.6	+0.3	+15.0
INTERMEDIATE MATERIALS (SEPT.)	241.1	-3.9	-14.7	+14.9
CRUDE MATERIALS (SEPT.)	331.8	+15.1	+1.3	+10.8
[4] INDEX OF 12 LEADING INDICATORS (1967=100)(AUG.)	131.0	-6.5	+1.9	n.a.
[5] INDUSTRIAL PRODUCTION INDEX (1967=100)(SEPT.)	142.4	-6.7	+1.0	n.a.
[5] TOTAL ENERGY INDEX (1967=100)(SEPT.)	138.3	+1.2	-0.3	n.a.
[6] TOTAL CIVILIAN LABOR FORCE (NUMBER,AUG.)	105,025,000	+1.8	-0.2	n.a.
[6] TOTAL EMPLOYED (NUMBER,AUG.)	97,006,000	+0.0	+0.0	n.a.
[6] UNEMPLOYMENT RATE (AUG.)	7.6	+28.8	-2.6	n.a.
[7] HOUSING STARTS (PUBLIC AND PRIVATE)(UNITS,SEPT.)	138,600	-15.3	+7.8	-31.9
[8] PERCENT YIELD ON 3-MONTH FEDERAL SECURITIES (SEPT.)	10.51	-0.5	+11.8	n.a.
[8] PERCENT YIELD ON STATE AND LOCAL BONDS (A , SEPT.)	9.36	+41.7	+4.1	n.a.
[9] AVERAGE PERCENT YIELD ON CORPORATE BONDS (SEPT.)	12.60	+28.9	+3.8	n.a.
[9] M1-A --MONEY STOCK (CURRENCY PLUS DEMAND DEPOSITS)(BIL. $,AUG.)	379.8	+4.3	+1.6	+4.5
[9] M1-B --MONEY STOCK (M1-A PLUS OTHER CHECKABLE DEPOSITS AT BANKS AND THRIFT INSTITUTIONS)(BIL. $,AUG.)	401.7	+5.7	+1.8	+6.0
[10] SALES OF ORDINARY LIFE INSURANCE (THOUS. $,AUG.)	23,801,266	+4.9	-3.4	+12.8
[11] BANK DEBITS (BIL. $,AUG.)	65,385.9	+24.5	+3.6	+20.8

n.a.—either not applicable, or not printed to maintain confidentiality.

[1] *Wall Street Journal*; figures effective on Sept. 26, 1980 only.

[2] *Highlights of U.S. Export and Import Trade*, U.S. Dept. of Commerce.

[3] Bureau of Labor Statistics, U.S. Department of Labor.

[4] *Business Conditions Digest*, U.S. Department of Commerce.

[5] *Industrial Production* (G. 12.3), Federal Reserve System.

[6] *Employment and Earnings*, U.S. Department of Labor.

[7] U.S. Dept. of Commerce.

[8] Federal Reserve Statistical Release G. 13, Federal Reserve System.

[9] *Monetary Trends*, Federal Reserve Bank of St. Louis.

[10] Life Insurance Marketing & Research Ass'n., Hartford, Conn.

[11] Federal Reserve Statistical Release G. 6, Federal Reserve System.

[12] South Central Bell Telephone Co. Figures for company-owned phones as of the end of the month.

[13] Dun & Bradstreet, Inc., New York City, N.Y.

[14] Office of the Secretary of State. Includes new domestic charters filed between Aug. 29-Sept. 30, 1980.

[15] Dept. of Revenue, State of La., Baton Rouge, La.

[16] R. L. Polk & Co., Cincinnati, Ohio.

[17] Estimates taken from *Weekly Statistical Bulletin*, American Petroleum Institute, Washington, D.C.

[18] La. Office of Agricultural Statistician, U.S. Dept. of Agriculture, cooperating with the Dept. of Agricultural Economics & Agribusiness, LSU.

[19] F. W. Dodge Division, McGraw-Hill Information Systems Company.

[20] Figures shown for end of the month. Excludes interbank, U.S. Government, and time deposits.

[21] Bank debits charged to demand deposit accounts. Excludes interbank & U.S. Government accounts.

[22] Federal Home Loan Bank of Little Rock, Arkansas.

[23] La. Dept. of Employment Security, Baton Rouge, La. New series—not comparable to any previous years' figures.

[24] Budget Office, Division of Administration, State of La., Baton Rouge, La. Motor Vehicle Sales Tax Figure for August, 1980 revised: $6,408,328.

NEW ORLEANS AREA

[25] New Orleans, Slidell, Covington, Norco, Luling, Paradis, Kenner.

[26] Gretna, Harvey, Metairie, Westwego, New Orleans, Arabi, Norco.

[27] New Orleans International Airport.

[28] Incls. inbound & outbound cargo passing over public facilities.

[29] Greater New Orleans Tourist & Convention Commission.

[30] *Monthly Retail Trade—Sales & Accounts Receivable*, U.S. Dept. of Commerce.

[31] Area figure for New Orleans, Covington, Luling, Arabi, Chalmette.

[32] Gretna, Westwego, Kenner, Grand Isle, New Orleans, St. Bernard Parish, St. Charles Parish, Covington, Slidell, Madisonville, Mandeville, Pearl River.

[33] Orleans, St. Bernard, Jefferson, & St. Tammany parishes.

[34] Orleans, Jefferson parishes, Covington, & Slidell, with 10 banks missing for deposits, and 9 banks missing for debits.

BATON ROUGE AREA

[35] Baton Rouge, Zachary, Donaldsonville.

[36] Baton Rouge, Baker, Zachary, Denham Springs, Donaldsonville, Gonzales, Port Allen.

[37] Baton Rouge, Denham Springs, Donaldsonville.

[38] Capital City Press.

[39] Greater Baton Rouge Airport District.

[40] Incls. imports & exports of general cargo passing over public facilities.

[41] Area figure for Donaldsonville, Baton Rouge.

[42] Incls. permits for elec., air conditioning, & plumbing for Donaldsonville, Gonzales, Baton Rouge, Baker, Zachary, Port Allen.

[43] Donaldsonville, Gonzales, Baton Rouge, Baker, Zachary, Denham Springs, with 2 banks missing for deposits, & 5 banks missing for debits.

LAKE CHARLES AREA

[44] Lake Charles, Sulphur, Vinton.

[45] Lake Charles Municipal Airport.

[46] Lake Charles, Sulphur.

[47] One bank missing.

ALEXANDRIA AREA

[48] Alexandria, Pineville, Colfax.

[49] Alexandria.

[50] Rapides Parish Municipal Airport.

[51] Alexandria, Pineville.

[52] Colfax, Alexandria, Cheneyville, with 2 banks missing.

[53] Rapides, Avoyelles, Grant parishes.

SHREVEPORT-MINDEN AREA

[54] Shreveport, Minden.

[55] Bossier City, Shreveport, Minden.

[56] Shreveport Airport Authority.

[57] Area figure for Shreveport, Minden, Springhill.

[58] Bossier City, Shreveport, Vivian, Minden, Springhill, Cullen.

[59] Bossier City, Plain Dealing, Shreveport, Minden, Springhill, with one bank missing.

BASTROP-MONROE AREA

[60] Monroe, West Monroe, Bastrop.

[61] Monroe, West Monroe.

[62] Monroe Municipal Airport.

[63] Bastrop, Monroe, Sterlington.

[64] Ouachita Parish only.

[65] One bank missing for debits.

LAFAYETTE AREA

[66] City of Lafayette, towns of Broussard, Carencro, Duson, Youngsville.

[67] Lafayette Airport Commission.

[68] Area figure for Lafayette.

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LOUISIANA

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
[12] TELEPHONES IN SERVICE (NUMBER, SEPT.)	2,787,575	+4.4	+0.4	+3.2
POSTAL RECEIPTS ($, AUG. 9--SEP. 5)	9,749,609	+12.8	+6.7	+9.6
[13] BUSINESS FAILURES (NUMBER, JULY)	28	+86.7	+300.0	-0.0
[13] BUSINESS FAILURES ($, JULY)	14,906,000	+465.3	+117.7	+73.8
[10] SALES OF ORDINARY LIFE INSURANCE (THOUS. $, AUG.)	661,000	+15.8	-6.3	+20.6
NEWSPAPER ADVERTISING LINAGE (SEPT.)	N.A.	-7.6	-3.9	-4.2
[14] NEW CORPORATIONS (NUMBER, SEPT.)	1,082	+14.6	+2.4	+2.0
TRADE				
WHOLESALE SALES ($, SEPT.)	N.A.	+17.0	+6.7	+9.7
[15] NEW PASSENGER CAR SALES (NUMBER, AUG.)	16,282	-12.0	+9.6	-11.1
[15] NEW TRUCK SALES (NUMBER, AUG.)	7,086	-9.4	+8.3	-17.0
PRODUCTION				
[17] CRUDE PETROLEUM AND LEASE CONDENSATE PRODUCTION (42-GAL BBLS, SEPT.)	43,335,000	+19.4	-3.6	-4.1
NORTH LOUISIANA (42-GAL. BBLS., SEPT.)	5,715,000	+5.3	-2.7	-3.0
SOUTH LOUISIANA (42-GAL. BBLS., SEPT.)	37,620,000	+20.6	-3.7	-1.9
CRUDE RUNS TO STILLS (BBLS., DAILY AVG. FOR SEPT.)	1,249,049	-24.6	-8.3	-8.2
ELECTRIC POWER CONSUMPTION (KWH, SEPT.)	N.A.	+2.1	-0.9	+2.1
INDUSTRIAL ELECTRIC POWER CONSUMPTION (KWH, SEPT.)	N.A.	-6.6	-1.4	+0.1
PRICE INDEXES FOR LOUISIANA FARM PRODUCTS [18]				
ALL CROPS INDEX (1967=100) (SEPT.)	240	+11.1	+2.6	+7.2
ALL LIVESTOCK INDEX (1967=100) (SEPT.)	249	-12.9	-0.4	-12.3
ALL FARM PRODUCTS INDEX (1967=100) (SEPT.)	243	+0.4	+1.3	-1.4
CONSTRUCTION				
NUMBER OF BUILDING PERMITS (SEPT.)	5,254	+19.5	+9.3	N.A.
VALUE OF BUILDING PERMITS ($, SEPT.)	134,166,185	+33.0	+30.1	-11.7
[19] VALUE OF CONSTRUCTION CONTRACTS ($, AUG.)	375,700,000	N.A.	N.A.	-14.1
RESIDENTIAL ($, AUG.)	83,700,000	N.A.	N.A.	-23.3
NONRESIDENTIAL ($, AUG.)	45,600,000	N.A.	N.A.	-31.3
NONBUILDING ($, AUG.)	253,400,000	N.A.	N.A.	+81.5
FINANCE				
[20] BANK DEMAND DEPOSITS ($, SEPT.)	4,743,139,000	+11.5	+6.7	+7.2
[21] BANK DEBITS ($, SEPT.)	27,026,838,470	+33.6	+6.5	+21.1
[22] RESIDENTIAL MORTGAGE LOANS ($, AUG.)	113,200,000	+14.6	+72.2	-27.2
EMPLOYMENT AND UNEMPLOYMENT [23]				
NUMBER EMPLOYED (NONAGRICULTURAL, SEPT.)	1,556,100	+3.6	+0.9	+2.7
TRADE EMPLOYMENT (SEPT.)	364,100	+2.4	+0.4	+2.2
GOVERNMENT EMPLOYMENT (SEPT.)	303,200	+4.8	+3.3	+4.1
SERVICES AND MISCELLANEOUS EMPLOYMENT (SEPT.)	260,400	+3.9	-0.4	+2.4
MANUFACTURING EMPLOYMENT (SEPT.)	211,900	-2.0	+0.3	-1.5
TRANSPORTATION, COMMUNICATION, AND PUBLIC UTILITIES EMPLOYMENT (SEPT.)	116,100	+1.1	-0.2	+0.3
CONTRACT CONSTRUCTION EMPLOYMENT (SEPT.)	142,200	+11.9	+1.4	+7.3
FINANCE, INSURANCE, AND REAL ESTATE EMPLOYMENT (SEPT.)	75,600	+2.4	-0.1	+2.9
MINING AND QUARRYING EMPLOYMENT (SEPT.)	82,600	+10.0	-0.2	+7.4
UNEMPLOYMENT RATE (SEPT.)	6.0	-6.3	-1.5	N.A.
AVERAGE WEEKLY MANUFACTURING HOURS (NUMBER, SEPT.)	40.3	-1.9	+0.2	N.A.
AVERAGE WEEKLY MANUFACTURING EARNINGS ($, SEPT.)	338.77	+9.8	+2.2	N.A.
REVENUE COLLECTIONS [24]				
SEVERANCE TAX ($, SEPT.)	56,237,061	+32.3	+11.5	+22.1
SALES TAX: GENERAL ($, SEPT.)	62,835,436	+26.4	+12.4	+13.6
MOTOR VEHICLE ($, SEPT.)	9,980,562	+31.6	+55.7	-0.7
GASOLINE TAX ($, SEPT.)	14,070,737	-8.0	-2.2	-4.8
ROYALTIES, RENTALS, AND BONUSES ($, SEPT.)	38,066,226	+9.6	-6.6	+38.9
INCOME TAXES: INDIVIDUAL ($, SEPT.)	21,458,820	+24.9	-4.3	+0.2
CORPORATION ($, SEPT.)	37,586,488	+20.5	+252.4	+28.9
CORPORATION FRANCHISE TAX ($, SEPT.)	2,485,998	-9.6	-12.3	+24.2
TOBACCO TAX AND PERMITS ($, SEPT.)	5,471,071	+4.4	-3.3	+3.0
ALCOHOLIC BEV. TAX, BEER TAX, AND PERMITS ($, SEPT.)	4,595,291	+1.8	-2.1	+2.2
OTHER TAXES, FEES, AND PERMITS ($, SEPT.)	35,605,631	-2.3	+32.3	+22.3
TOTAL REVENUES ($, SEPT.)	288,793,321	+16.7	+18.3	+23.3

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NEW ORLEANS AREA
(INCLUDES JEFFERSON, ORLEANS, ST. BERNARD, ST. CHARLES, AND ST. TAMMANY PARISHES)

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
TELEPHONES IN SERVICE (NUMBER,SEPT.)	951,597	+2.7	+0.1	+3.4
POSTAL RECEIPTS ($,AUG.9--SEP.5)	$,052,800	+22.3	+24.4	+1.6
AIRLINE PASSENGER BOARDINGS (NUMBER,AUG.)	202,561	-15.0	-2.2	-3.8
AIR LINE CARGO (TONS,AUG.)	1,697.1	-19.6	-12.4	-13.6
OCEAN SHIPMENTS-PORT OF NEW ORLEANS (TONS,SEPT.)	1,220,345	-17.9	-1.3	+4.4
ATTENDANCE OF CONVENTIONS AND MEETINGS (NUMBER,SEPT.)	45,445	-16.7	+49.3	+7.5
TRADE				
DEPARTMENT STORE SALES ($,JULY)	44,290,000	+10.2	-1.2	+9.5
WHOLESALE SALES ($,SEPT.)	N.A.	+19.6	+11.3	+9.2
PRODUCTION				
ELECTRIC POWER CONSUMPTION (KWH,SEPT.)	N.A.	+1.5	+1.2	+1.8
CONSTRUCTION				
NUMBER OF BUILDING PERMITS (SEPT.)	656	-5.6	-11.2	N.A.
VALUE OF BUILDING PERMITS ($,SEPT.)	38,238,585	+19.2	+0.9	-21.7
VALUE OF CONSTRUCTION CONTRACTS				
RESIDENTIAL ($,AUG.)	17,800,000	N.A.	N.A.	-7.1
NONRESIDENTIAL ($,AUG.)	7,100,000	N.A.	N.A.	-12.9
FINANCE				
BANK DEMAND DEPOSITS ($,SEPT.)	1,653,358,995	+12.8	+13.4	+3.7
BANK DEBITS ($,SEPT.)	10,405,176,366	+30.4	+9.3	+1.7
RESIDENTIAL MORTGAGE LOANS ($,AUG.)	56,600,000	+2.0	+104.3	-27.6
EMPLOYMENT AND UNEMPLOYMENT				
UNEMPLOYMENT RATE (AUG.)	5.4	-11.5	-11.5	N.A.
REVENUE COLLECTIONS				
SALES TAX COLLECTIONS ($,AUG.)	13,572,499	+7.3	-11.3	+12.8

BATON ROUGE AREA
(INCLUDES ASCENSION, E. BATON ROUGE, LIVINGSTON, AND W. BATON ROUGE PARISHES)

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
TELEPHONES IN SERVICE (NUMBER,SEPT.)	363,289	+5.3	+0.9	+5.1
POSTAL RECEIPTS ($,AUG.9--SEP.5)	1,983,614	+6.3	-0.8	+0.6
NEWSPAPER ADVERTISING LINAGE (SEPT.)	N.A.	-9.0	-7.4	-2.9
NEWSPAPER CLASSIFIED LINAGE (SEPT.)	1,134,262	-6.7	-29.3	-3.4
NEWSPAPER CLASSIFIED ACCOUNT (NUMBER,SEPT.)	48,956	-6.1	-8.8	-3.2
AIRLINE PASSENGER BOARDINGS (NUMBER,SEPT.)	19,512	-7.0	-11.9	-1.2
AIRLINE CARGO (TONS,SEPT.)	55.5	+35.4	+3.9	-3.4
OCEAN SHIPMENTS-PORT OF BATON ROUGE (TONS,AUG.)	77,707	+31.9	+25.1	+22.8
TRADE				
DEPARTMENT STORE SALES ($,JULY)	22,560,000	+17.7	+7.4	+12.7
WHOLESALE SALES ($,SEPT.)	N.A.	+21.6	+1.0	+13.1
PRODUCTION				
ELECTRIC POWER CONSUMPTION (KWH,SEPT.)	N.A.	-4.2	-2.4	-0.7
CONSTRUCTION				
NUMBER OF BUILDING PERMITS (SEPT.)	2,653	+31.4	-1.4	N.A.
VALUE OF BUILDING PERMITS ($,SEPT.)	20,980,428	-29.4	+16.0	-12.3
VALUE OF CONSTRUCTION CONTRACTS				
RESIDENTIAL ($,AUG.)	5,700,000	N.A.	N.A.	-33.0
NONRESIDENTIAL ($,AUG.)	3,100,000	N.A.	N.A.	-14.4
FINANCE				
BANK DEMAND DEPOSITS ($,SEPT.)	646,642,639	+6.6	+0.4	+6.7
BANK DEBITS ($,SEPT.)	5,864,034,466	+47.2	-2.9	+78.3
RESIDENTIAL MORTGAGE LOANS ($,AUG.)	13,400,000	+86.1	+39.0	-6.0
EMPLOYMENT AND UNEMPLOYMENT				
UNEMPLOYMENT RATE (AUG.)	5.7	-14.9	-12.3	N.A.
REVENUE COLLECTIONS				
SALES TAX COLLECTIONS ($,AUG.)	5,976,259	+10.5	-5.0	+10.4

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LAKE CHARLES AREA
(INCLUDES CALCASIEU PARISH)

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
[44] TELEPHONES IN SERVICE (NUMBER, SEPT.)	115,100	+5.0	+0.5	+5.6
[45] AIRLINE PASSENGER BOARDINGS (NUMBER, SEPT.)	3,710	-19.4	-2.3	-13.6
[45] AIRLINE CARGO (TONS, SEPT.)	6.7	-3.9	-0.4	-12.2
TRADE				
WHOLESALE SALES ($, SEPT.)	N.A.	+15.8	+3.4	+6.5
PRODUCTION				
ELECTRIC POWER CONSUMPTION (KWH, SEPT.)	N.A.	+8.9	+2.3	+4.5
CONSTRUCTION				
[46] NUMBER OF BUILDING PERMITS (SEPT.)	231	+13.8	-0.4	N.A.
[46] VALUE OF BUILDING PERMITS ($, SEPT.)	6,128,210	+48.8	-41.5	+33.7
VALUE OF CONSTRUCTION CONTRACTS				
RESIDENTIAL ($, AUG.)	1,800,000	N.A.	N.A.	-37.3
NONRESIDENTIAL ($, AUG.)	2,000,000	N.A.	N.A.	+100.0
FINANCE				
[47] BANK DEMAND DEPOSITS ($, SEPT.)	257,718,806	+12.5	+3.4	+9.1
[47] BANK DEBITS ($, SEPT.)	674,857,983	+22.5	+11.1	+9.0
RESIDENTIAL MORTGAGE LOANS ($, AUG.)	4,400,000	+91.3	+12.8	+24.0
EMPLOYMENT AND UNEMPLOYMENT [21]				
UNEMPLOYMENT RATE (AUG.)	5.8	-12.1	-10.3	N.A.
REVENUE COLLECTIONS [15]				
SALES TAX COLLECTIONS ($, AUG.)	1,855,657	+31.2	-4.3	+24.7

ALEXANDRIA AREA
(INCLUDES GRANT AND RAPIDES PARISHES)

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
[48] TELEPHONES IN SERVICE (NUMBER, SEPT.)	82,783	+2.7	+0.4	+3.4
[49] POSTAL RECEIPTS ($, AUG. 9--SEP. 5)	259,851	+2.0	-22.7	+3.3
[50] NEWSPAPER ADVERTISING LINAGE (SEPT.)	N.A.	-3.6	-2.6	+2.1
[50] AIRLINE PASSENGER BOARDINGS (NUMBER, SEPT.)	5,048	-15.0	-23.8	-14.0
[50] AIRLINE CARGO (TONS, SEPT.)	34.8	+61.3	-32.2	+81.3
TRADE				
WHOLESALE SALES ($, SEPT.)	N.A.	+12.2	+4.5	+9.3
PRODUCTION				
ELECTRIC POWER CONSUMPTION (KWH, SEPT.)	N.A.	+13.4	-6.8	+3.2
CONSTRUCTION				
[51] NUMBER OF BUILDING PERMITS (SEPT.)	105	-5.4	+10.3	N.A.
[51] VALUE OF BUILDING PERMITS ($, SEPT.)	3,776,841	+109.7	+168.8	-27.7
VALUE OF CONSTRUCTION CONTRACTS				
RESIDENTIAL ($, AUG.)	2,900,000	N.A.	N.A.	-21.6
NONRESIDENTIAL ($, AUG.)	3,400,000	N.A.	N.A.	-5.9
FINANCE				
[52] BANK DEMAND DEPOSITS ($, SEPT.)	147,851,594	+6.1	+0.9	+4.3
[52] BANK DEBITS ($, SEPT.)	577,365,177	+24.0	+0.3	+19.1
RESIDENTIAL MORTGAGE LOANS ($, AUG.)	900,000	-65.4	+50.0	-74.7
EMPLOYMENT AND UNEMPLOYMENT [23,53]				
UNEMPLOYMENT RATE (AUG.)	8.0	-5.9	-9.1	N.A.
REVENUE COLLECTIONS [15]				
SALES TAX COLLECTIONS ($, AUG.)	1,081,814	+16.6	+0.3	+10.2

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SHREVEPORT AREA
(INCLUDES BOSSIER, CADDO, AND WEBSTER PARISHES)

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
[34] TELEPHONES IN SERVICE (NUMBER, SEPT.)	285,271	+3.7	+0.3	+4.2
[35] POSTAL RECEIPTS ($, AUG.9--SEP.5)	1,348,329	+6.8	-7.0	+7.3
[36] NEWSPAPER ADVERTISING LINAGE (SEPT.)	N.A.	+2.2	-2.5	-3.8
[37] AIRLINE PASSENGER BOARDINGS (NUMBER, SEPT.)	32,736	-10.6	-19.2	-6.4
[38] AIRLINE CARGO (TONS, SEPT.)	640.0	+0.5	-8.8	+7.9
TRADE				
[40] DEPARTMENT STORE SALES ($, JULY)	12,134,000	+2.6	+3.9	+1.0
WHOLESALE SALES ($, SEPT.)	N.A.	+3.3	+9.3	+3.2
PRODUCTION				
[57] ELECTRIC POWER CONSUMPTION (KWH, SEPT.)	N.A.	+18.2	-3.4	+0.3
CONSTRUCTION				
[58] NUMBER OF BUILDING PERMITS (SEPT.)	780	-10.0	+27.7	N.A.
[58] VALUE OF BUILDING PERMITS ($, SEPT.)	20,120,839	+5.5	+55.4	-12.4
VALUE OF CONSTRUCTION CONTRACTS				
RESIDENTIAL ($, AUG.)	7,100,000	N.A.	N.A.	-28.1
NONRESIDENTIAL ($, AUG.)	3,500,000	N.A.	N.A.	-11.7
FINANCE				
[59] BANK DEMAND DEPOSITS ($, SEPT.)	539,512,716	+7.4	+5.7	+13.4
[59] BANK DEBITS ($, SEPT.)	4,752,323,908	+46.0	+13.1	+38.1
RESIDENTIAL MORTGAGE LOANS ($, AUG.)	3,800,000	+22.6	+171.4	-30.3
EMPLOYMENT AND UNEMPLOYMENT [23]				
UNEMPLOYMENT RATE (AUG.)	6.2	+3.3	-17.3	N.A.
REVENUE COLLECTIONS [15]				
SALES TAX COLLECTIONS ($, AUG.)	4,277,463	+29.1	+16.1	+12.7

MONROE AREA
(INCLUDES MOREHOUSE AND OUACHITA PARISHES)

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
[60] TELEPHONES IN SERVICE (NUMBER, SEPT.)	118,149	+4.0	+0.3	+5.0
[61] POSTAL RECEIPTS ($, AUG.9--SEP.5)	532,732	+10.8	-1.4	+5.9
[62] AIRLINE PASSENGER BOARDINGS (NUMBER, SEPT.)	8,319	-15.6	-19.3	-9.6
[62] AIRLINE CARGO (TONS, SEPT.)	30.5	-42.0	-9.4	-47.6
TRADE				
WHOLESALE SALES ($, SEPT.)	N.A.	+17.7	-1.9	+12.3
PRODUCTION				
ELECTRIC POWER CONSUMPTION (KWH, SEPT.)	N.A.	+6.1	+2.2	+6.5
CONSTRUCTION				
[63] NUMBER OF BUILDING PERMITS (SEPT.)	52	-3.2	+37.3	N.A.
[63] VALUE OF BUILDING PERMITS ($, SEPT.)	2,211,436	-31.0	+16.0	-23.9
[64] VALUE OF CONSTRUCTION CONTRACTS				
RESIDENTIAL ($, AUG.)	3,700,000	N.A.	N.A.	-47.1
NONRESIDENTIAL ($, AUG.)	900,000	N.A.	N.A.	-1.7
FINANCE				
[65] BANK DEMAND DEPOSITS ($, SEPT.)	234,301,735	+5.3	-0.2	+2.2
[65] BANK DEBITS ($, SEPT.)	1,700,698,796	+8.7	+11.7	+12.9
[64] RESIDENTIAL MORTGAGE LOANS ($, AUG.)	4,300,000	+65.4	+16.2	-36.0
EMPLOYMENT AND UNEMPLOYMENT [23,64]				
UNEMPLOYMENT RATE (AUG.)	7.6	+1.3	-14.6	N.A.
REVENUE COLLECTIONS [15]				
SALES TAX COLLECTIONS ($, AUG.)	1,741,643	-0.1	-7.0	+3.8

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LAFAYETTE AREA
(INCLUDES LAFAYETTE PARISH)

	VALUE OR QUANTITY	CHANGE COMPARED TO SAME MONTH LAST YEAR (PERCENT)	CHANGE COMPARED TO LAST MONTH (PERCENT)	JAN. 1 TO DATE THIS YEAR COMPARED TO SAME PERIOD LAST YEAR (PERCENT CHANGE)
GENERAL BUSINESS ACTIVITY				
[66] TELEPHONES IN SERVICE (NUMBER, SEPT.)	125,656	+8.9	+1.1	+8.4
POSTAL RECEIPTS ($, AUG. 9--SEP. 5)	525,949	+10.6	+7.6	+10.3
[67] AIRLINE PASSENGER BOARDINGS (NUMBER, SEPT.)	9,130	-8.4	-3.4	-9.9
[67] AIRLINE CARGO (TONS, SEPT.)	37.5	+15.7	+11.3	-1.4
TRADE				
WHOLESALE SALES ($, SEPT.)	N.A.	+6.6	+5.7	+13.3
PRODUCTION				
[68] ELECTRIC POWER CONSUMPTION (KWH, SEPT.)	N.A.	+23.3	-1.6	+7.6
CONSTRUCTION				
NUMBER OF BUILDING PERMITS (SEPT.)	367	+117.2	+14.3	N.A.
VALUE OF BUILDING PERMITS ($, SEPT.)	21,382,589	+1,318.2	+89.1	+34.7
VALUE OF CONSTRUCTION CONTRACTS				
RESIDENTIAL ($, AUG.)	5,600,000	N.A.	N.A.	-24.4
NONRESIDENTIAL ($, AUG.)	9,900,000	N.A.	N.A.	+53.4
FINANCE				
BANK DEMAND DEPOSITS ($, SEPT.)	384,569,482	+28.3	+9.4	+15.9
BANK DEBITS ($, SEPT.)	1,334,055,932	+23.6	+10.1	+10.4
RESIDENTIAL MORTGAGE LOANS ($, AUG.)	4,800,000	-17.2	+45.5	-39.6
EMPLOYMENT AND UNEMPLOYMENT [23]				
UNEMPLOYMENT RATE (AUG.)	3.4	-24.4	-15.0	N.A.
REVENUE COLLECTIONS [15]				
SALES TAX COLLECTIONS ($, AUG.)	3,196,271	+23.7	-5.0	+22.5

INTERNAL ACCOUNTING CONTROLS—

(cont'd. from p. 8)

How does one know if the internal accounting control system is adequate? What about "criteria for an effective system of internal control?" Criteria are "standards on which a judgment or decision may be based." Neither the FCPA or professional auditing literature includes criteria for evaluating the adequacy of a system of internal accounting control.

What about the "materiality" concept? The public auditor's review provides no assurances that *all* "material weaknesses" in the internal accounting control system have been uncovered. Materiality can be significantly different for different parties. For example, a $100,000 payment in a $6 billion company's financial statements is probably immaterial from a public auditor's viewpoint. From management's perspective it would be quite material, particularly if it were a violation of the FCPA. Has the FCPA introduced a new concept to materiality for corporate management?

What about the "cost-benefit" concept? Costs of compliance will be reflected in increased personnel costs, locks, fences, efficiency decreases, lost sales, and lower employee morale. *Hopefully*, one would achieve benefits with decreases in cash shortages, inventory shortages, and theft of property. Weighing costs and benefits represents a difficult process for management since, in most cases, the costs and related benefits are subjective in nature and difficult, if not impossible, to quantify.

Just as the ultimately safe car would have all the riding comfort, speed and price tag of a Sherman Tank, the ultimately safe internal accounting control system for a company would carry with it a dollar cost and cumbersomeness than could potentially destroy the company. Once a control breakdown does occur, any decision by management not to implement a control procedure because of a cost-benefit consideration could be severely challenged because of the hindsight now available. Internal accounting control can be circumvented through collusion and management override. Since internal accounting control is not exclusively a financial area function, it is dependent upon internal controls to operate and effect all levels of the corporation.

Internal Accounting Control Rules Required of Management

In April, 1979, the SEC, through Release 34-15772, issued rules which require a statement by management on internal accounting control in Form 10-K reports filed with

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the Commission and in annual reports to stockholders. The rules are to be applied in two phases:

Phase 1—Effective for fiscal years ending after December 15, 1979 and prior to December 16, 1980. Management's statement must extend only to conditions "existing as of the balance sheet date."

Phase 2—Effective for fiscal years ending after December 15, 1980. Management's statement must cover conditions which existed "during the periods for which audited statements of income are required." The statement must be examined and reported on by an independent public accountant. The accountant's report should accompany or be included within his report on the financial statements.

Management is required to comprehend whether the systems of internal accounting control of the registrant and its subsidaries provided reasonable assurances for complying with Section 13(b) (2) (B). The SEC believes that specific methods of approaching and implementing evaluation of internal accounting control will vary from company to company. Accordingly, the rules do not specify the methods of procedures to be performed in an evaluation. However, the Commission believes that evaluations by management should encompass the following:

—Evaluation of the overall control environment.

—Translation of the broad objectives of internal accounting control into specific control objectives applicable to the particular organization characteristics of the individual business.

—Consideration of the specific control procedures and individual environmental factors which should contribute to achievement of the specific control objectives.

—Monitoring of control procedures and consideration of whether they are functioning as intended.

—Consideration of the benefits (consisting of reductions in the risk of failing to achieve the objectives) and costs of additional or alternative controls.

Reaction

Essentially, the FCPA codifies the existing concepts and good practices taken from Section 320 of the Statement of Auditing Standards issued by the AICPA. The Act does not call for wide-ranging action by all affected; instead, it would suggest that many issuers should merely continue doing a good job of record keeping and maintaining effective internal accounting controls as in the past.

However, prudent management will take steps to review their existing internal accounting controls; and, interestingly, the SEC recommended that "issuers review" their accounting procedures, systems of internal accounting controls and business practices in order that managements may take any actions necessary to comply. All of the "Big Eight" public accounting firms immediately concurred and offered "programs" to assist management to review their internal accounting control systems under the threat of penalty for potential violation.

Penalties for violation of the Accounting Standards Provisions of the Act are limited to $10,000 for companies and $10,000 plus five years imprisonment for company officials. Penalties for violating the corrupt practices provisions provide for $1 million fines for companies and $10,000 fines and five years imprisonment for company officials. Further, any fines imposed on individuals may not be paid directly or indirectly by the company.

The Financial Executives Institute, Inc., conducted a survey of some 530 firms to determine what expenditures were necessary to comply with SEC's Phase 1 and Phase 2 rules. The response to the survey indicated that an additional $50 million would be expanded by the 530 firms to prepare the "management statement" required for Phase 1. This represents an increase of 20% in the annual audit fees. The participation of the public auditor in Phase 2 after December 15, 1980 is anticipated to cost $50 million as well, with continuing annual costs of $40 million.[2]

Conclusion

The FCPA was a legislative response to the discovery that:

1. American business was involved in the bribery of foreign officials to secure overseas contracts, and,
2. Cash payments were being made as contributions to domestic political campaigns.

In attempting to legislate the impropriety of these actions, Congress passed an act that contained both legal and accounting provisions that required business compliance.

In considering accounting requirements to be followed, Congress acted too hastily. The present accounting provisions of the FCPA are too vague to follow and too costly to implement. While the goal of the Act is desirable, Congress would be well advised to carefully reconsider the accounting provisions of the FCPA in order to clarify those problematic provisions cited above that accouting professionals find difficult to interpret.

FOOTNOTES

[1]Foreign Corrupt Practices And Domestic And Foreign Disclosure: *Hearing on S. 305 Before the Committee on Banking, Housing and Urban Affairs*, 95th Cong., 1st Sess. at 2 (1977) (Statement of Chairman William Proxmire).

[2]Financial Executives Institute, Inc., *Survey on the Cost Benefit Relationship of the SEC's Proposed Rules for Reporting on Internal Accounting Controls*, 1979.

ESTATE TAXATION—
(cont'd. from p. 6)

[30]Estate of G. C. Ealy, 10 T.C.M. 431, Dec.

[31]Treasury Regulation 20.2042-1 (c) (6).

[32]Frederick William Maitland, *Selected Essays*, eds.: H. D. Hazeltine, G. Lapsley, and P. H. Winfield (Cambridge, England: The University Press, 1936), p. 129.

[33]*Advanced Underwriter Service*, Research and Review Service of America, 1977, Section 21-1.

[34]*Ibid.*, Section 21-3.

[35]Rose versus U.S., 511 F. 2d259 (5th Cir 1975); Terriberry versus U.S., 517 F 2d 286 (5th).

[36]Terriberry versus U.S.

[37]Annual premiums to fund life insurance as gifts payable by employer on group insurance (Revenue Ruling 76-490, CB 2, p. 300; Commissioner vs. Mabel Berger, 201 F. 2d 171.

[38]I.R.C. Section 2503.

TOURIST TRAFFIC

Visitors to Selected Tourist Attractions

Source: State Parks Commission & Other Tourist Attractions

SITE	September 1980	August 1980	September 1979	Percent Change Sept 1980-Sept 1979	Percent Change Sept 1980-Aug 1980
Audubon State Comm. Area	7,387	8,946	13,433	- 45.0	- 17.4
Avery Island	2,575	5,254	3,249	- 20.7	- 51.0
Baton Rouge Old State Capitol	3,002	5,854	3,112	- 3.5	- 48.7
Baton Rouge Old Arsenal Museum	3,204	6,611	3,527	- 9.2	- 51.5
Camp Moore State Commemorative Area	372	333	680	- 41.0	+ 11.7
Chemin-A-Haut State Park	11,364	20,312	19,712	- 42.3	- 44.1
Chicot State Park	28,786	55,014	27,549	+ 4.5	- 47.7
Cypremort Point State Park	9,334	15,438	5,149	+ 81.4	- 39.5
Fairview Riverside State Park	26,686	32,961	50,992	- 47.7	- 19.0
Fontainebleau State Park	34,214	34,195	15,554	+ 120.0	+ 0.1
Fort Jesup State Comm. Area	4,306	6,040	6,228	- 30.9	- 28.7
Fort Pike State Comm. Area	10,112	19,814	21,318	- 52.6	- 49.0
Grand Isle State Park	21,352	76,158	26,924	- 20.7	- 72.0
Hodges Gardens	1,781	5,578	3,176	- 44.0	- 68.1
Hot Wells Health Resort	2,156	4,748	3,276	- 34.2	- 54.6
Indian Creek Recreational Area	5,984	16,957	6,686	- 10.5	- 64.7
Kent House State Commemorative Area	614	980	530	+ 15.8	- 37.3
Lake Bistineau State Park	11,540	30,637	16,471	- 29.9	- 62.3
Lake Bruin State Park	4,630	13,236	6,632	- 30.2	- 65.0
Lake Claiborne State Park	4,328	15,970	12,348	- 64.9	- 72.9
Lake D'Arbonne State Park	2,300	3,249	1,600	+ 43.8	- 29.2
Longfellow-Evangeline State Comm. Area	24,998	30,674	123,000	- 79.7	- 18.5
Mansfield State Comm. Area	5,163	7,122	7,542	- 31.5	- 27.5
New Orleans The La. State Museum	10,761	20,684	10,796	- 0.3	- 48.0
Poverty Point State Commemorative Area	4,131	4,897	7,670	- 46.1	- 15.6
Rebel State Commemorative Area	1,717	1,912	2,275	- 24.5	- 10.2
St. Bernard State Park	2,128	2,880	2,230	- 4.6	- 26.1
Sam Houston Jones State Park	25,836	51,688	30,271	- 14.7	- 50.0
Shreveport The La. State Exhibit Museum	30,300	27,600	35,200	- 13.9	+ 9.8
Shreveport The La. State Fairgrounds	69,800	39,460	75,369	- 7.4	+ 76.9
Winter Quarters State Commemorative Area	46	82	55	- 16.4	- 43.9

Visitors to Tourist Information Stations

Source: Louisiana Office of Tourism

STATION	September 1980	August 1980	September 1979	Percent Change Sept 1980-Sept 1979	Percent Change Sept 1980-Aug 1980
Bastrop Snyder Museum	541	479	424	+ 27.6	+ 12.9
Baton Rouge State Capitol	15,893	22,110	14,497	+ 9.6	- 28.1
Greenwood	8,545	15,716	8,766	- 2.5	- 45.6
Kentwood	7,158	8,410	6,361	+ 12.5	- 14.9
New Orleans	8,317	5,958	8,272	+ 0.5	+ 39.6
St. Francisville	1,852	2,389	1,696	+ 9.2	- 22.5
Slidell (I-59)	28,631	N.A.	35,934	- 20.3	
Slidell (I-10)	86,094	115,694	76,872	+ 12.0	- 25.6
Toledo Bend	1,291	2,365	1,324	- 2.5	- 45.4
Vidalia	1,161	1,201	764	+ 52.0	- 3.3
Vinton	26,045	26,523	25,993	+ 0.2	- 1.8

N.A.—Not Available

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LOCAL AREA SALES TAX COLLECTIONS*
(COLLECTIONS FOR INDICATED MONTH BASED ON SALES FOR PRECEDING MONTH)
SOURCE - LOCAL TAXING AUTHORITIES
(DOLLARS)

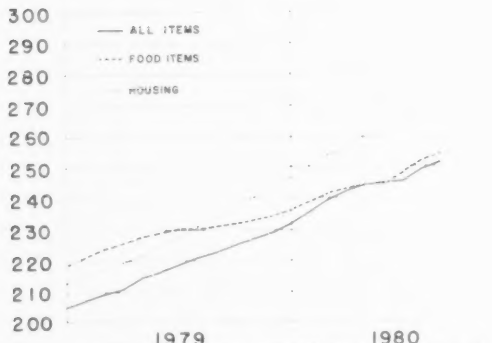
ADMINISTRATIVE UNITS	SEPTEMBER 1980	PERCENT CHANGE SEPT. 1980 - AUG. 1980	PERCENT CHANGE SEPT. 1980 - SEPT. 1979	ADMINISTRATIVE UNITS	SEPTEMBER 1980	PERCENT CHANGE SEPT. 1980 - AUG. 1980	PERCENT CHANGE SEPT. 1980 - SEPT. 1979
ABBEVILLE	704,697	+14.1	-1.4	MANY	132,827	+26.2	-1.3
ABITA SPRINGS	34,833	-4.1	-1.1	MARKSVILLE	29,781	-3.1	+5.5
ACADIA PARISH	751,139	+7.3	-1.5	MARRERO	2,453,533	+17.1	+27.2
ALBANY	74,705	+3.9	-11.5	MARSHALL	33,087	-4.4	+13.2
ALEXANDRIA	772,965	+11.7	-2.5	MAURICEVILLE	16,282	+13.4	+23.3
ALLEN PARISH	774,783	+5.2	+1.7	MAURICE	5,187	-20.0	+35.0
AMITE CITY	311,139	+7.3	+1.3	MELVILLE	4,142	+13.6	-13.1
ARCADIA	15,078	+7.5	-11.1	MER ROUGE	41,773	+41.6	+12.4
ARNAUDVILLE	62,930	+1.1	-1.6	MINDEN	657	+4.4	+3.5
ASCENSION PARISH	1,537,510	+17.0	+9.1	MINDEN	538,774	+12.8	-11.2
ASSUMPTION PARISH	215,673	+17.2	-3.7	MONROE (CITY)	1,345,747	+3.5	-3.5
ASSUMPTION PARISH	33,873	+17.5	-3.7	MORGAN CITY	312,143	+5.2	+2.5
AVOYELLES PARISH	1,776,147	+0.1	+1.1	MOUNT AIRY	2,143	-1.0	-3.5
BAKER	674,330	+1.1	-3.7	MOUNTAIN PARK	113,131	+12.0	-2.2
BASILE	34,873	+14.1	-2.5	NAPOLEONVILLE	1,357	+15.0	+2.0
BASTROP	734,135	+7.5	-11.1	NATCHITOCHES PARISH	1,153,471	+12.0	-0.5
BEAUREGARD PARISH	1,134,541	-13.1	-11.5	NATCHITOCHES	384,107	+10.9	+4.5
BERNICE	21,750	-14.4	-0.1	NEW ELTHAM	204,749	+4.3	+3.2
BIENVILLE PARISH	1,177,435	+ 1.0	+1.9	NEW IBERIA	21,223	+24.0	-2.1
BOGALUSA	1,784,643	+11.5	+ 1.1	NEW ORLEANS	34,243	+14.6	-3.8
BOSSIER CITY	2,811,187	+6.1	-12.7	NEWELLTON	1,199	+3.2	-2.3
BUSSERON PARISH	471,070	+14.1	-13.1	OAKDALE	1,135,115	+11.2	+3.2
BREAUX BRIDGE	1,772	+4.1	-11.0	OPELOUSAS	1,155	+7.4	-7.6
BROUSSARD	34,051	+14.6	+10.2	PATTERSON	1,488	+7.4	+3.5
BUNKIE	31,676	+7.5	+7.0	PEARL CITY	1,170	+7.2	+17.2
CADDO PARISH	1,470,105	+1.2	-1.1	PINEVILLE	1,494,575	+1.3	-2.4
CALCASIEU PARISH	1,733,401	+7.2	+1.2	PLAQUEMINE	200,104	+3.2	-2.7
CALDWELL PARISH POLICE JURY	37,643	+7.7	-11.9	PLAQUEMINES PARISH	224,949	+3.6	-3.5
CALDWELL PARISH	37,643	+2.0	-11.4	PORT ALLEN	44,857	-11.1	-11.0
CANKTON	600	+ 1.7	-2.7	PORT BARRE	1,200	-10.0	+3.0
CARENCRO	34,340	+5.2	+1.4	PRAIRIEVILLE	32,853	+15.3	-5.8
CHOPIN POINT	10,136	+13.1	-7.1	RAYNE	34,872	+32.4	-14.8
CLAIBORNE PARISH	774,497	+16.1	+4.7	RAYVILLE (RICHLAND PARISH)	111,451	+5.1	+3.0
COLFAX	5,115	+4.4	+4.4	RICHLAND PARISH	1,300,731	+8.2	+3.0
CONCORDIA PARISH POLICE JURY	43,895	+35.4	+15.1	RIVERVIEW	210	-11.5	-12.1
CONCORDIA PARISH	43,895	+17.4	+15.7	ROBERT	160,765	+10.5	-5.8
COTTON VALLEY	4,111	-11.7	+10.5	ROBERT (TOWN) PARISH	160,794	+10.5	-3.8
COTTONPORT	37,133	+6.2	+7.5	ROSELAND	459	+4.4	+34.3
COUSHATTA	53,133	+17.1	+17.1	RUSTON	1,274,323	+14.4	+3.4
COVINGTON	1,107,575	+15.8	-12.8	SAINT BERNARD	31,072	+41.4	-5.4
CROWLEY	1,174,777	+17.8	+6.1	SAINT CHARLES PARISH	1,444,432	+6.1	+3.5
CULLEN	1,330	+10.1	+7.6	SAINT JAMES PARISH	548,374	+8.1	-6.2
DELCAMBRE	1,336	-14.1	-15.1	SAINT JOHN PARISH	37,241	+10.3	-3.5
DENHAM SPRINGS	1,017	+20.1	-4.5	SAINT LANDRY PARISH POLICE JURY	20,122	+4.4	-1.4
DE QUINCY	13,990	+4.6	+8.4	SAINT LANDRY PARISH	1,274,824	+20.5	-4.2
DERIDDER	1,117	+7.1	-4.1	SAINT MARTIN PARISH	1,121,403	+14.1	-7.3
DESOTO PARISH	1,133,267	+13.7	-10.1	SAINT MARY PARISH	8,029	-7.1	-45.1
DONALDSONVILLE	35,655	+14.7	+5.4	SAINT TAMMANY PARISH	2,337	-0.4	-35.1
DUSON	1,745	-7.3	+1.1	SCOTLAND	1,433	+33.3	+22.2
E. CAMERON	10,611	+8.1	-3.7	SIBLEY	58,707	+2.3	+13.5
E. FELICIANA PARISH	83,335	+14.7	-11.3	SLIDELL	1,165	+11.1	-1.0
EAGLE CITY-PARISH	2,695,633	+21.8	-1.1	SPRINGHILL	833	-3.1	-35.2
EARLY PARISH	2,457,900	+23.1	-10.1	STERLINGTON	14,454	+6.3	+13.7
ELTON	1,728	-0.7	-10.1	SUGARTOWN	1,223,093	+7.3	-5.0
ERATH	1,704	-1.7	-10.1	SULPHUR	1,147,970	+10.7	-7.1
ESTHERWOOD	1,205	+127.7	-1.8	SUMMERFIELD	18,201	+11.9	-8.5
EUNICE	1,151,291	+14.6	-1.4	ST. FRANCISVILLE	1,111,234	+33.7	+7.0
EVANGELINE PARISH	1,141,552	+8.1	-1.7	ST. JAMES PARISH	1,111,234	+33.7	+7.0
FARMERVILLE	1,0,337	+15.9	+1.3	ST. CHARLES PARISH POLICE JURY	2,256,035	+14.5	-3.2
FERRIDAY	1,1,316	+17.2	-1.4	ST. CHARLES PARISH	1,174,234	+12.1	-3.0
FOLSOM	1,1,233	+15.6	+10.2	ST. FRANCISVILLE	1,1,359	+41.6	+9.1
FRANKLIN PARISH	1,1,1,311	+12.6	-13.6	ST. JAMES PARISH	1,1,1,353	-9.0	-17.4
FRANKLINTON	1,1,1,1,1,1	+10.1	+1.0	ST. JOHN PARISH	1,1,1,1,1,1	+13.1	+20.7
GOLDEN MEADOW	1,1,1,1,1,1	-1.1	-16.1	ST. LANDRY PARISH	1,1,1,1,1,1	+10.2	-13.2
GONZALES	1,1,1,1,1,1	-1.1	+1.1	ST. MARTIN PARISH	1,1,1,1,1,1	+20.1	+3.2
GRAMERCY	1,1,1,1,1,1	-1.1	+7.1	ST. MARTINVILLE	1,1,1,1,1,1	+13.1	+2.1
GRAND COTEAU	1,1,1,1,1,1	-10.1	-14.1	ST. MARY PARISH	1,1,1,1,1,1	+13.1	+2.1
GRANT PARISH SCHOOL BOARD	1,1,1,1,1,1	+11.1	+11.1	ST. MARY PARISH	1,1,1,1,1,1	+13.1	+2.1
HAMMOND	1,1,1,1,1,1	+11.1	+1.1	ST. TAMMANY PARISH	1,1,1,1,1,1	+13.1	+2.1
HAYNESVILLE	1,1,1,1,1,1	+11.1	+1.1	SULPHUR	1,1,1,1,1,1	+13.1	+2.1
HENDERSON	1,1,1,1,1,1	+11.1	+1.1	SUNSET	1,1,1,1,1,1	+13.1	+2.1
IDDIA PARISH	1,1,1,1,1,1	+11.1	+1.1	TALLULAH	1,1,1,1,1,1	+13.1	+2.1
IBERVILLE PARISH	1,1,1,1,1,1	+11.1	+1.1	TANGIPAHOA PARISH	1,1,1,1,1,1	+13.1	+2.1
IBERVILLE PARISH	1,1,1,1,1,1	+11.1	+1.1	TANGIPAHOA PARISH	1,1,1,1,1,1	+13.1	+2.1
INDEPENDENCE	1,1,1,1,1,1	+11.1	+1.1	TENSAS PARISH	1,1,1,1,1,1	+13.1	+2.1
IOTA	1,1,1,1,1,1	+11.1	+1.1	TERREBONNE PARISH	1,1,1,1,1,1	+13.1	+2.1
JACKSON PARISH	1,1,1,1,1,1	+11.1	+1.1	TERREBONNE PARISH	1,1,1,1,1,1	+13.1	+2.1
JEANERETTE	1,1,1,1,1,1	+11.1	+1.1	THIBODAUX	1,1,1,1,1,1	+13.1	+2.1
JEFF. DAVIS PARISH	1,1,1,1,1,1	+11.1	+1.1	UNION PARISH	1,1,1,1,1,1	+13.1	+2.1
JEFFERSON PARISH	1,1,1,1,1,1	+11.1	+1.1	VERMILION PARISH POLICE JURY	1,1,1,1,1,1	+13.1	+2.1
JENNINGS	1,1,1,1,1,1	+11.1	+1.1	VERMILION PARISH	1,1,1,1,1,1	+13.1	+2.1
JONESBORO	1,1,1,1,1,1	+11.1	+1.1	VERNON PARISH	1,1,1,1,1,1	+13.1	+2.1
KENTWOOD	1,1,1,1,1,1	+11.1	+1.1	VIDALIA	1,1,1,1,1,1	+13.1	+2.1
KROTZ SPRINGS	1,1,1,1,1,1	+11.1	+1.1	VINTON	1,1,1,1,1,1	+13.1	+2.1
LA SALLE PARISH SCHOOL BOARD	1,1,1,1,1,1	+11.1	+1.1	VIVIAN	1,1,1,1,1,1	+13.1	+2.1
LAFAYETTE PARISH POLICE JURY	1,1,1,1,1,1	+11.1	+1.1	W. BATON ROUGE PARISH	1,1,1,1,1,1	+13.1	+2.1
LAFAYETTE PARISH	1,1,1,1,1,1	+11.1	+1.1	W. CARROLL PARISH	1,1,1,1,1,1	+13.1	+2.1
LAFAYETTE	1,1,1,1,1,1	+11.1	+1.1	W. FELICIANA PARISH	1,1,1,1,1,1	+13.1	+2.1
LAFOURCHE PARISH	1,1,1,1,1,1	+11.1	+1.1	WASHINGTON PARISH	1,1,1,1,1,1	+13.1	+2.1
LAFOURCHE PARISH	1,1,1,1,1,1	+11.1	+1.1	WASHINGTON PARISH	1,1,1,1,1,1	+13.1	+2.1
LAKE ARTHUR	1,1,1,1,1,1	+11.1	+1.1	WEBSTER PARISH	1,1,1,1,1,1	+13.1	+2.1
LAKE CHARLES	1,1,1,1,1,1	+11.1	+1.1	WEBSTER PARISH	1,1,1,1,1,1	+13.1	+2.1
LEESVILLE	1,1,1,1,1,1	+11.1	+1.1	WEST MONROE	1,1,1,1,1,1	+13.1	+2.1
LINCOLN PARISH POLICE JURY	1,1,1,1,1,1	+11.1	+1.1	WEST MONROE	1,1,1,1,1,1	+13.1	+2.1
LINCOLN PARISH	1,1,1,1,1,1	+11.1	+1.1	WESTLAKE	1,1,1,1,1,1	+13.1	+2.1
LIVINGSTON PARISH	1,1,1,1,1,1	+11.1	+1.1	WINN PARISH	1,1,1,1,1,1	+13.1	+2.1
LIVINGSTON	1,1,1,1,1,1	+11.1	+1.1	WINNSBORO	1,1,1,1,1,1	+13.1	+2.1
LOCKPORT	1,1,1,1,1,1	+11.1	+1.1	YOUNGSVILLE	1,1,1,1,1,1	+13.1	+2.1
LUTCHER	1,1,1,1,1,1	+11.1	+1.1	ZACHARY	1,1,1,1,1,1	+13.1	+2.1
MADISON PARISH	1,1,1,1,1,1	+11.1	+1.1				
TOTAL REPORTED THIS MONTH					$47,527,429	N/A	N/A
**SUM OF COMPARABLE COLLECTIONS					37,429,929	+20.1	-1.9

*Tax rates are 1%, except for Ascension Parish School Board—2%, Avoyelles Parish School Board—1½%, Baker—2%, Bienville Parish School Board—2% (1%—School Dist. #1, 1%—parishwide), Bogalusa—1½%, Bossier Parish School Board—1½%, Bunkie—1½%, Crowley—1½%, East Baton Rouge City-Parish—2%, East Feliciana Parish School Board—2%, Eunice—2%, Franklin Parish School Board—1½%, Iberia Parish School Board—1¼%, Independence—1½%, Jeanerette—1¼%, Jonesboro—2%, Lincoln Parish Police Jury—½%, Livingston Parish School Board—2%, Madison Parish School Board—1½%, Madison Parish Police Jury—½%, Monroe—1½%, New Iberia—1¼%, New Orleans—2%, Opelousas—2%, Parks—2%, Pine Prairie—2%, Rayne—2%, Rayville—1½%, Richland Parish School Board—1½%, Ruston—½%, St. Bernard Parish School Board—1½%, St. Bernard Parish Police Jury—1½%, St. Charles Parish School Board—2%; St. Charles Parish Police Jury—¾%, St. Mary Parish—1¼%, St. Mary Parish School Board—.95%, St. Tammany Parish School Board—2%, Sulphur—2%, Terrebonne Parish—1¼%, (¼% is a special dedication), Terrebonne Parish School Board—¾%, Vinton—2%, West Monroe—1½%, West Feliciana Parish School Board—2%, Westlake—2%, Zachary—2%. ½% is shared by Monroe (City) School Board & Ouachita Parish School Board. Included are use tax & hotel-motel taxes wherever applicable.

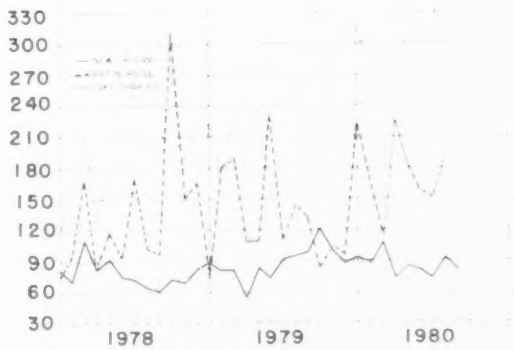
**Figures shown for "comparable collections" are made up *only* of administrative units reporting September 1980, August 1980, and September 1979.

INDEX OF PERSONAL INCOME- LOUISIANA AND UNITED STATES
1974 = 100

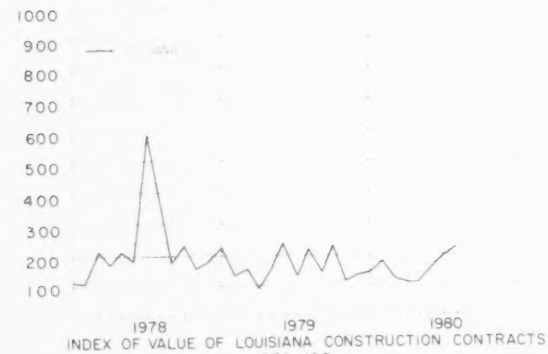
INDEX OF ACTIVITY OF LOUISIANA SAVINGS AND LOAN ASSOCIATIONS
NEW LOANS
1974 = 100



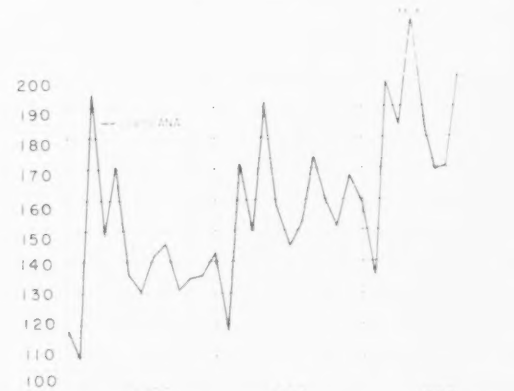
CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
1967 = 100



INDEX OF LOUISIANA PORT ACTIVITY
1974 = 100



INDEX OF VALUE OF LOUISIANA CONSTRUCTION CONTRACTS
1974 = 100



INDEX OF STATE REVENUE COLLECTIONS
1974 = 100

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